



ॐ, £÷, úi, ¥, <, °, „, Ô, 1/2Š, 1", ^, Å, ç, ñ, ÿ, ^, Å
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

SELECTION OF CONSULTANCY FIRM FOR (I) VALUATION OF SIDBI'S SHAREHOLDING IN TECHNICAL CONSULTANCY ORGANISATIONS (TCOs) AND (II) PREPARATION OF TENDER DOCUMENT AND ADVERTISEMENT FOR INVITING BIDS FOR PURCHASE OF SHARES IN TCOs

**Last date of submission of offer - November 02, 2011
upto 1500 hrs.**

**The Chief General Manager
Associate Institutions Cell
Small Industries Development Bank of India
Head Office, SIDBI Tower
No.15, Ashok Marg
Lucknow – 226 001
Phone No. 0522 – 2286368 / 2288931**

BROAD TERMS AND CONDITIONS OF ENGAGEMENT OF CONSULTANCY Firm

1. Eligibility

The Consultancy firm (consultant) shall be from the public sector or a firm promoted by public sector undertaking, and should be in the proposed line of business atleast for last 5 years. The consultant shall provide its Annual Report / Balance Sheet for FY 2011 and brief business profile in support of its being in public sector / promoted by a PSU and being in the business of consultancy including valuation of businesses for atleast last 5 years.

2. Scope of Work

2.1 The consultant shall perform the work mentioned below specified by the Employer (SIDBI) and render in connection therewith all the professional services covering in particular the following:

Valuation of SIDBI's equity holding in the following Technical Consultancy Organizations (TCOs):

- a) KITCO Ltd., P.B. No.1820, Ravipuram, M.G. Road, Kochi – 682 016, Kerala
- b) U.P. Industrial Consultants Ltd., 5th Floor, KABIR Bhavan, G.T. Road, Kanpur – 208 002, Uttar Pradesh
- c) Gujarat Industrial & Technical Consultancy Organisation, 'GITCO House', Opp: Sardar Patel Stadium, Navrangpura, Ahmedabad-380 009, Gujrat
- d) HARDICON Ltd., D 28, Flatted Factories Complex, Jhandewalan, New Delhi - 110 055
- e) Himachal Consultancy Organisation Ltd., New Bridge View Estate, The Mall, Shimla - 171 001
- f) MITCON Consultancy Services Ltd., 1st Floor, Kubera Chambers, Shivajinagar, Pune - 411005
- g) MPCON Ltd., Block-2, 3rd Floor, Paryavas Bhawan, Arera Hills, Bhopal - 462 011
- h) North India Technical Consultancy Organisation Ltd., SCO 131 – 132, First Floor, Sector 17-C, Chandigarh - 160 017
- i) ITCOT Consultancy & Services Limited, 50 A, Greams Road, Chennai - 600 006

The brief of above TCOs including details of SIDBI's holding is enclosed in **Annexure – i to ix**.

2.2 The consultant shall make an assessment of fair market value of SIDBI's holding of equity share capital in each of the above TCOs separately, adopting, inter alia, the following methodology, thus suggesting three fair market valuations for each TCO :-

2.2.1 Discounted Cash Flow (DCF) analysis which is often considered the industry standard for investment valuation. The DCF analysis is based on five years of earnings projections and the resulting annual cash flows. TCOs are expected to continue to

generate cash flows beyond the five-year projections. Therefore, the TCOs value at the end of five years (the terminal value) would also be estimated and discounted to a present value. The sum of the present values of forecast cash flows plus the present value of the terminal value equals the DCF value.

2.2.2 Comparable Public Company Analysis Analyzing public companies within TCO industry would provide an indication of current market value and pricing. The relationships between comparable public companies' enterprise values and their revenue, EBITDA and EBIT would make it possible to derive multiples with which the TCOs fair market value can be imputed.

2.2.3 Book value

The book value of a company is generally considered as its networth. The book value per share would be the networth of a company divided by the number of shares outstanding.

2.3 Besides, the 3 valuation for each TCO as described in para 2.2 above, the consultant shall suggest an average valuation for each TCOs separately which could be used as reserve price by SIDBI.

2.4 The consultant shall prepare tender document and a detailed advertisement for inviting competitive bids for better price discovery and improved realizations from the sale of equity of the above TCOs, which shall be hosted on SIDBI's website.

2.5 Consultant should follow necessary guidelines of CVC regarding execution of such work.

3. Procedure for Submission of offers

3.1 Sealed offers for professional fees (in enclosed proforma - **Appendix**) is required to be submitted by the empanelled consultants which shall be received at following address along with duly signed copy of terms and conditions of engagement.

**The Chief General Manager
Associate Institutions Cell
Small Industries Development Bank of India
Head Office, SIDBI Tower
No.15, Ashok Marg
Lucknow – 226 001
Phone No. 0522 – 2286368 / 2288931**

3.2 The offers will be opened at 1530 Hours on the same day at the above location in presence of representatives of the Bidders who chose to be present or on any other suitable date , if any at the discretion of the Bank with due notice to all the concerned.

The envelope should be superscribed with

"FINANCIAL BID FOR VALUATION OF SHARES OF TCOS"

4. Details of Financial Bid

4.1 Professional fee / price quoted by the consultant shall be firm and inclusive of all levies, service tax and any other taxes as applicable. No escalation in fee would be permitted on any ground. No commercial or technical condition or qualifications of any sort shall be indicated in this envelope, otherwise the offer shall be summarily rejected.

4.2 The professional fee for the work as mentioned above shall only be quoted by the consultant. In case of any doubt regarding the quantum of work involved the same may be clarified prior to submission of the quotation.

4.3 The offer shall remain open for acceptance for a period of 90 days from the date of opening of the Envelope by the Employer.

4.4 SIDBI reserves the right to accept or reject any or all offers without assigning any reason thereof for which no claim shall be entertained.

5. SEQUENCE OF WORK AND TIME SCHEDULE

The Consultant shall undertake to complete the assigned work in all respect as per the time schedule depending on the specific work to be executed as per the contract. The time schedule for submission of various details and execution of work shall be given as below:

Sr. No	Weeks after issue of Lol by SIDBI	Activities to be completed
i.	2 (Two weeks)	1. Valuation of SIDBI's shareholding in all the 9 TCOs adopting three methods given above, as also an average valuation. 2. Preparation of tender document and draft advertisement for hosting on SIDBI's website inviting competitive bids for better price discovery and improved realizations from the sale of equity of the above TCOs

6. FEES AND TERMS OF PAYMENT

6.1 The Consultant will quote the Fees in lumpsum of all inclusive on consolidated basis. The fee shall be paid in following stages

- a) On acceptance of the offer – 40% of fee quoted.
- b) On submission of share valuation report and draft of the tender document and advertisement - 40% of fee quoted.
- c) On acceptance of valuation and other documents by SIDBI to its satisfaction – 20% of fee quoted.

6.2 The above professional fee shall be inclusive of all taxes including service tax / professional tax etc. Apart from the fee, no other compensation / charges would be payable.

7. Penalty for delay in completion of work

The selected consultant shall render the services in most professional manner as desired by SIDBI. In case, the actions of selected consultant results into undue delay in completion of said work, a penalty of ₹5,000/- for delay per week or part thereof would be levied, at the discretion of SIDBI. Further, the consultant or its affiliates may also be disqualified from subsequently providing services in the Bank.

8. Transfer of Interests

The Consultant shall not assign, sublet or transfer its interest in this agreement without the written consent of the Employer.

9. Dispute Resolution

The decision of the Chief General Manager, Associate Institutions Cell of SIDBI shall be final in all the matters.

10. These terms and conditions as given above would form part of the Letter of Intent to be issued to successful Consultant which would be duly accepted by an authorised person on behalf of the company / firm.

(for quoting the professional fees.)
(To be submitted on the letter head in the sealed envelope
with signed copy of terms and conditions)

To,

The Chief General Manager
Associate Institutions Cell
Small Industries Development Bank of India
Head Office, SIDBI Tower
No.15, Ashok Marg
Lucknow – 226 001

Dear Sir,

**SELECTION OF CONSULTANCY FIRM FOR VALUATION OF
SIDBI'S SHAREHOLDING IN TECHNICAL CONSULTANCY
ORGANISATIONS (TCOs) AND PREPARATION OF TENDER
DOCUMENT AND ADVERTISEMENT FOR INVITING BIDS FOR
PURCHASE OF SHARES IN TCOs**

Please refer to your advertisement / letter dated _____ for the valuation of shares of Technical Consultancy Organisations (TCOs) and preparation of tender document and advertisement for hosting on SIDBI website inviting bids for purchase of shares of TCOs. We have gone through the broad scope of work and terms and conditions as given in the advertisement / letter and clearly understood the same. Accordingly, we are ready to take up the said work at a total fee for ₹ _____ (Rupees _____). This will be all inclusive fee with all applicable taxes including service tax. We agree that our offer is valid for 90 days from last date of opening of envelope by SIDBI. We also agree that the entire work will be executed in most professional manner and following the guidelines as directed.

We request you to give consent to our offer.

Yours faithfully,

(name of the agency)
Sign & Designation of Authorised official

Seal
Date :
Place :

1. Please mention the fees quoted both in words and figures. In case of variation fee written in words only shall be considered.

Profile of TCOs –
KITCO - SIDBI Lead

1	Name & location of the TCO	KITCO Ltd. (KITCO), Kochi, Kerala		
2	Year of incorporation	1972		
3	Share capital	Authorised share capital - ₹ 50 lakh Paid-up share capital - ₹ 19.69 lakh		
4	SIDBI shareholding	49.77%		
5	Chairman / Managing Director	Shri A. X. Joseph, Non-executive Chairman w.e.f. April 1, 2011 for a period of one year. Shri Cyriac Davies, Managing Director w.e.f. April 1, 2011 for a period of 3 years.		
6	SIDBI Nominee Director	1) Shri Namgial, CGM, SIDBI, SZO, Chennai 2) Smt. Indumathi Sridhar, DGM, SIDBI, Kochi		
7	Name of shareholders	SIDBI, IFCI, ICICI, Govt. of Kerala, KSIDC, Indian Bank, IOB, Canara Bank, Syndicate Bank and Union Bank of India.		
8	Major assignments in FY-2011	EDPs under sponsorship of Ministry of Food Processing industries, Ministry of Science & Technology, consultancy in expansion of Kochi Airport and other infrastructure projects, detailed project report on Tea Factory for Kerala Forest Development Corporation etc.		
9	Financials	FY 2009	FY 2010	FY 2011
	Networth (₹ lakh)	663.6	1046.8	1528.6
	Income (₹ lakh)	1601.3	2008.5	2338.8
	Profit after Tax (PAT) (₹ lakh)	283.0	387.8	487.5
	Face value of share(₹)	1000	1000	1000
	Earnings Per Share (₹)	14374	19695	24759
	Book value per share (₹)	33,702	53,164	77633
	Dividend distributed	20 %	20 %	25%

Profile of TCOs –

UPICO - SIDBI Lead

1	Name & location of the TCO	UPICO Ltd. (UPICO), Kanpur, Uttar Pradesh		
2	Year of incorporation	1974		
3	Share capital	Authorised share capital - ₹ 200 lakh Paid-up share capital - ₹ 30 lakh		
4	SIDBI shareholding	48.99 %		
5	Chairman / Managing Director	Shri Vikram Hans, Chairman & Managing Director [Chairman w.e.f 14.07.2008 term not specified by IDBI & Managing Director w.e.f 25.02.2009 for 3 years].		
6	SIDBI Nominee Director	(1) Shri Vinay Kumar Varma Retd. GM, BoI and (2) Shri Hari Lal Retd. GM, BoB appointed as non-official nominee directors w.e.f. April 01, 2010.		
7	Name of shareholders	SIDBI, IFCI, ICICI, UPSIDC, Govt of UP, PICUP, SBI, Syndicate Bank, BoI, PNB, CBI, Union Bank of India, IOB, Canara Bank, BOB, Allahabad Bank and UCO Bank		
8	Major assignments in FY-2010	Assignments from Women and Child Welfare Department, Ministry of Heavy Industries, Ministry of Foods, Khadi Village Industries Commission, Director of Industries etc.		
9	Financials	FY 2009	FY 2010	FY 2011
	Networth (₹ lakh)	258.6	442.9	
	Income (₹ lakh)	4,84.0	847.9	
	Profit after Tax (PAT) (₹ lakh)	18.0	67.8	
	Face value of share (₹)	100	100	
	Earnings Per Share (₹)	60	226	
	Book value per share (₹)	862	1,477	
	Dividend distributed	NIL	20 %	

Profile of TCOs –
GITCO - ICICI Lead

1	Name & location of the TCO	Gujarat Industrial & Technical Consultancy Organisation Ltd (GITCO), Ahmedabad, Gujarat		
2	Year of incorporation	1978		
3	Share capital	Authorised share capital - ₹ 30 lakh Paid-up share capital - ₹ 20 lakh		
4	SIDBI shareholding	12.5%		
5	Chairman / Managing Director	Shri A T Kusre (Advisor ICICI), Chairman Shri Padmin Buch, In-charge Operations		
6	SIDBI Nominee Director	Shri K C Bhanoo, GM, SIDBI, Ahmedabad.		
7	Name of shareholders	ICICI, SIDBI, IFCI, GIIC, GSIC, GMDC, GSFC, GSEC, BoB, SBI, Dena Bank, CBI, BOI, Union Bank of India and Shri A T Kusre, Advisor, ICICI		
8	Major assignments in FY-2011	Project report for Gujarat Maritime Board, various project appraisals for setting up / expansion of projects under several sectors, Capacity building programmes, study on Corporate Social Responsibility for GMDC, Survey of unregistered MSME units under the scheme of Govt. of Gujarat, Environment audit, Valuation assignments etc.		
9	Financials	FY 2009	FY 2010	FY 2011
	Networth (₹ lakh)	34.9	42.2	56.9
	Income (₹ lakh)	183.7	222.3	264.1
	Profit after Tax (PAT) (₹ lakh)	4.8	7.3	14.7
	Face value of share(₹)	100	100	100
	Earnings Per Share (₹)	24	36	73.5
	Book value per share (₹)	175	211	285
	Dividend distributed	NIL	NIL	Nil

Profile of TCOs –
HARDICON - IFCI Lead

1	Name & location of the TCO	HARDICON Ltd. (HARDICON), New Delhi		
2	Year of incorporation	1985		
3	Share capital	Authorised share capital - ₹20 lakh Paid-up share capital - ₹10 lakh		
4	SIDBI shareholding	12.5%		
5	Chairman / Managing Director	Shri Javed Yunus (ED, IFCI), Chairman Shri R K Zutshi, Chief Executive Officer		
6	SIDBI Nominee Director	Shri R.P. Gupta, AGM, SIDBI, New Delhi BO.		
7	Name of shareholders	IFCI, SIDBI, ICICI, HSIDC, HFC, DFC, HSSI&EC, PNB, OBC, SBI, CBI, UCO Bank, Bol and Union Bank of India.		
8	Major assignments in FY-2011	Field survey / evaluation study for State of Gujarat, valuation / techno-economic / appraisal reports for various companies, EDPs, TEDPs, entrepreneurship awareness camp, faculty development programmes etc.		
9	Financials	FY 2009	FY 2010	FY 2011
	Networth (₹ lakh)	55.0	92.1	132.9
	Income (₹ lakh)	241.8	286.9	235.7
	Profit after Tax (PAT) (₹ lakh)	31.9	37.2	40.9
	Face value of share(₹)	100	100	100
	Earnings Per Share (₹)	319	371	409
	Book value per share (₹)	550	921	1329
	Dividend distributed	20 %	20 %	20%

Profile of TCOs –
HIMCON - IFCI Lead

1	Name & location of the TCO	HIMCON Ltd. (HIMCON), Shimla, Himachal Pradesh		
2	Year of incorporation	1977		
3	Share capital	Authorised share capital - ₹ 20 lakh Paid-up share capital - ₹ 15 lakh		
4	SIDBI shareholding	12%		
5	Chairman / Managing Director	Shri Javed Yunus (ED, IFCI), Chairman Shri V K Chanchlani, Managing Director		
6	SIDBI Nominee Director	Shri Satya Pal, AGM, SIDBI, Shimla		
7	Name of shareholders	IFCI, SIDBI, ICICI, HPFC, HPSIDC, HPSFC, HPAIC, HPSSIEC, SBI, SBP, PNB, UCO Bank, BOI, Union Bank of India and CBI.		
8	Major assignments in FY-2011	Industrial awareness camps sponsored by Dept. of Industries, H.P, various training programmes, assignments under SARFAESI Act from UCO Bank and Punjab National Bank etc.		
9	Financials	FY 2009	FY 2010	FY 2011
	Networth (₹ lakh)	103.3	121.2	123.3
	Income (₹ lakh)	201.7	215.35	207.09
	Profit after Tax (PAT) (₹ lakh)	18.9	19.73	3.93
	Face value of share (₹)	1000	1000	1000
	Earnings Per Share (₹)	1259	1315	262
	Book value per share (₹)	6,887	8,080	8220
	Dividend distributed	10 %	10 %	10%

Profile of TCOs –
MITCON - ICICI Lead

1	Name & location of the TCO	MITCON Consultancy Services Ltd. (MITCON), Pune, Maharashtra		
2	Year of incorporation	1982		
3	Share capital	Authorised share capital - ₹ 500 lakh Paid-up share capital - ₹ 50 lakh		
4	SIDBI shareholding	12.5 %		
5	Chairman / Managing Director	Shri A T Kusre (Advisor ICICI), Chairman Dr. Pradeep Bavadekar, Managing Director		
6	SIDBI Nominee Director	Shri O V Bundellu, [Ex-DMD, IDBI], Pune		
7	Name of shareholders	ICICI, SIDBI, IFCI, SICOM, MIDC, MSSIDC, Development Corporation of Kokan Ltd., Development Corporation of Vidharbha Ltd., Maharathwada Development Corporation Ltd., Maharashtra Electronics Corporation Ltd., MSFC, Economic Development Corporation of Goa, Daman & Diu Ltd., BOM, SBI, BOI, CBI, Dena Bank, BOB, Union Bank of India, Canara Bank and Employees.		
8	Major assignments in FY-2011	Project Monitoring Consultancy work from Tamil Nadu Mega Food Park, Kolhapur foundry cluster assignment under a scheme fo Govt. of India, various training programmes under PMEGP, SCP, SGSY, SJSRY and EDPs for Gol, services to various nationalised, private and cooperative banks to recover their NPAs etc.		
9	Financials	FY 2009	FY 2010	FY 2011
	Networth (₹ lakh)	1802.2	2448.7	3651.72
	Income (₹ lakh)	2791.5	3834.1	4782
	Profit after Tax (PAT) (₹ lakh)	542.2	679.2	996.8
	Face value of share (₹)	100	100	100
	Earnings Per Share (₹)	1084.4	1358.4	1993.6
	Book value per share (₹)	3,604	4,897	7303
	Dividend distributed	30 %	35 %	50%

Profile of TCOs –
MPCON - IFCI Lead

1	Name & location of the TCO	MPCON Ltd. (MPCON), Bhopal, Madhya Pradesh		
2	Year of incorporation	1976		
3	Share capital	Authorised share capital - ₹ 100 lakh Paid-up share capital - ₹ 100 lakh		
4	SIDBI shareholding	2.2 %		
5	Chairman / Managing Director	Shri Javed Yunus (ED, IFCI), Chairman Shri Brajeshwar Nath, Managing Director		
6	SIDBI Nominee Director	Shri G Sampath Kumar, DGM, SIDBI, Bhopal		
7	Name of shareholders	IFCI, SIDBI, ICICI, MPSIC, MPSIDC, MPFC, MPLUN, SBI, SB of Indore, PNB, Allahabad Bank, CBI, BOI, BOB, Union Bank of India, UCO Bank and Dena Bank.		
8	Major assignments in FY-2011	Study on biomass availability for renewable energy, report for accessing funds under Financial inclusion fund for Coop. Apex Bank, identification of industrial potential for Bhopal Directorate of Industries, consultancy awareness workshops under Gol, training programmes viz. EDP, skill development programmes etc.		
9	Financials	FY 2009	FY 2010	FY 2011
	Networth (₹ lakh)	215.6	286.3	330.9
	Income (₹ lakh)	708.6	722.2	858.8
	Profit after Tax (PAT) (₹ lakh)	53.2	25.8	44.6
	Face value of share (₹)	1000	1000	1000
	Earnings Per Share (₹)	1010	258	446
	Book value per share (₹)	2,156	2,863	3309
	Dividend distributed	10 %	20%	Nil

Profile of TCOs –
NITCON - IFCI Lead

1	Name & location of the TCO	North India Technical Consultancy Organisation Ltd. (NITCON), Chandigarh		
2	Year of incorporation	1984		
3	Share capital	Authorised share capital - ₹ 20 lakh Paid-up share capital - ₹ 10 lakh		
4	SIDBI shareholding	12.5 %		
5	Chairman / Managing Director	Shri Javed Yunus (ED, IFCI), Chairman Shri Rattan Singh (GM, IFCI), Managing Director		
6	SIDBI Nominee Director	Shri M.C. Dhiman, AGM, SIDBI, Chandigarh		
7	Name of shareholders	IFCI, SIDBI, ICICI, PFC, PSIDC, PSIEC, CITCO, SBP, PNB, SBI, PSB, CBI, OBC, UCO, BOI and UBI.		
8	Major assignments in FY-2011	Science and Technology Entrepreneurship Project for Dept. of Science & Technology, EDPs sponsored by SIDBI, Impact assessment study of renewable energy for implementing Energy Conservation Act in Haryana, energy audits of various companies etc.		
9	Financials	FY 2009	FY 2010	FY 2011
	Networth (₹ lakh)	71.9	99.1	115.7
	Income (₹ lakh)	124.9	141.2	204.1
	Profit after Tax (PAT) (₹ lakh)	4.5	19.1	19.2
	Face value of share (₹)	100	100	100
	Earnings Per Share (₹)	45	191	192
	Book value per share (₹)	719	991	1157
	Dividend distributed	18 %	9 %	9%

Profile of TCOs –
ITCOT - ICICI Lead

1	Name & location of the TCO	ITCOT Consultancy and Services Ltd. (ITCOT), Chennai, Tamil Nadu		
2	Year of incorporation	1979		
3	Share capital	Authorised share capital - ₹ 20 lakh Paid-up share capital - ₹ 20 lakh		
4	SIDBI shareholding	12.5%		
5	Chairman / Managing Director	Shri A T Kusre (Advisor ICICI), Chairman Shri S R Nageswaran, Managing Director		
6	SIDBI Nominee Director	Smt. Chitra K Alai, GM, SIDBI, Chennai		
7	Name of shareholders	ICICI, SIDBI, IFCI, SIPCOT, SIDCO, TIIC, SBI, Indian Bank, IOB, Canara Bank, CBI, Union Bank of India, Syndicate Bank, BoB, The Lakshmi Vilas Bank Ltd., KVB, Shri A T Kusre, Advisor, ICICI and Shri S R Nageswaran, MD, ITCOT.		
8	Major assignments in FY-2011	Asset valuation studies from Madras High Court and Delhi High Court, assignments for setting up of safety equipments manufacturing units from Dubai, Detailed project report on modernisation of T.N. Civil Supplies Corporation, Techno-economic feasibility report for NLC etc.		
9	Financials	FY 2009	FY 2010	FY 2011
	Networth (₹ lakh)	350.9	501.3	674.7
	Income (₹ lakh)	750.6	909.8	959.1
	Profit after Tax (PAT) (₹ lakh)	93.9	159.8	183.3
	Face value of share (₹)	100	100	100
	Earnings Per Share (₹)	469.2	798.4	916
	Book value per share (₹)	1,755	2,507	3373
	Dividend distributed	35 %	40 %	45%
